

Some Seasonable
CONSIDERATIONS
RELATING TO
South-Sea STOCK.

WITH
REMARKS, &c.



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SOME SEASONABLE
CONSIDERATIONS

For THOSE Who are Desirous,
By SUBSCRIPTION, or PURCHASE,
TO BECOME
PROPRIETORS
OF
South-Sea STOCK. *h.*

With REMARKS
On the Surprizing Method of Valuing *South-Sea* Stock,
Publish'd in the *Flying-Post* of *Saturday, April* the 9th, 1720.

By a Member of the HOUSE OF COMMONS.



L O N D O N,
Printed ; And Sold by *J. Morphew*, near *Stationers-*
Hall. M DCC XX.

[Price Six-pence.]

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SOME SEASONABLE

CONSIDERATIONS

For Those Who are Debitors

IN SUBSCRIPTION, or PURCHASE

TO BECOME



ON Monday last the Flying-Post of Saturday the 9th Instant, was brought to me, fill'd with Calculations, to demonstrate this extraordinary Paradox, viz. That the higher the Price is which is given for South-Sea Stock, the greater Benefit will the Purchaser have thereby; And that at 300 l. per Cent. it is intrinsically Worth 448 l. and at 600 l. is Worth 880 l.

I am perswaded; That those who have the Honour to serve in the Administration or Direction of the South-Sea Company, will speedily do themselves the Justice to disown the aforesaid, and all such Sort of Calculations; and will, in a plain and easy Method, State the intrinsick Value of their Stock; and accordingly fix the Price thereof, to Subscribers and Purchasers; that an End may be thereby put to the Borrowing of Money, at the Rate of 10 l. per Cent. per Menssem; and even at 20 s. per Cent. per Diem; and that the Infamous Trade of Stock-Jobbing may not be encouraged, to the entire Ruin of all other Traffick whatsoever; which in Time would prove more Fatal to the Nation, than the most expensive War we can possibly be engag'd in. And if any Consequence like this should happen, from an indiscreet Execution of the South-Sea Scheme, Will not this Formidable Company, and the Mighty Governors thereof, have their full Proportion and Share with Others in any General Calamity.

In the mean while, I hope, That the following CONSIDERATIONS and REMARKS will be of some Use to unwary People.

Thursday, April
14th, 1720.



L O N D O N

Printed; And Sold by J. Mather, near St. Dunstons Church, in Fleet-Street.
M DCC XX

[Price Six pence]

S O M E

Seasonable Considerations

For THOSE Who are Desirous,

By SUBSCRIPTION, or PURCHASE,

To Become

PROPRIETORS of *South-Sea* Stock.



IN the *Calculations* Published by me the 31st of *March*, 1720. I have endeavour'd, in a very plain and intelligible Method, to State how it will be with the Proprietors of the Old *South-Sea* Stock, if there should be no Subscribers to, or Purchasers of their Additional Capital; and also, how it will be with them and the New Subscribers, or Purchasers, at the several Rates in the said *Calculations* mentioned: But as the Sums at which I compute the present and to-be-encreased Capital, and the Money payable to the Publick, shall happen to vary, the subsequent Computations from these will accordingly alter, more or less, to the Detriment of the New Subscribers; tho' I believe the Alterations will be so Inconsiderable, that the *Calculations* already made, will be sufficient to set this Matter in a clear Light, and to give the Readers a near View of what they desire to be informed of.

The Advocates for the *South-Sea* Company are at no small Pains to magnify the Value of their Stock, and to set the same in a very different Light from that in which I have placed it in my aforesaid *Calculations*; and one of them, in the *Flying-Post* of *Saturday* the 9th of *April*, 1720. has given a Specimen of the Reasoning and Computations which may be hereafter expected, in Behalf of the said Company: And that unwary People, unskilled in Figures, may not be thereby imposed on, I shall give them a clear State of what this ingenious Computer pretends to have demonstrated, viz. That *South-Sea* Stock, at the Rate of 300 *l.* per Cent. is intrinsically Worth 448 *l.* 15 *s.* and that exclusive of the Profits on Trade, and the Advantage for Seven Years of 5 *l.* instead of 4 *l.* per Annum on each 100 *l.* Capital Stock,

He States the present Capital of the *South-Sea* Company, at $\begin{matrix} l. & s. & d. \\ 11,202,702 & : & 8 : 0 \end{matrix}$

The whole Debts to be taken in, and for which they have
a Right to an equal Additional Capital at 30,971,712 *l.*
6 *s.* 6 *d.* but this is apparently an Error, and should be } $\begin{matrix} 30,981,712 & : & 6 : 6 \end{matrix}$

Which gives them a Right to encrease their Capital to $\begin{matrix} l. & s. & d. \\ 42,184,414 & : & 14 : 6 \end{matrix}$

The Old Capital, as aforesaid, is $\begin{matrix} 11,202,702 & : & 8 : 0 \end{matrix}$

He then supposes, that the aforesaid Debts may be taken
in, or purchased, in Stock, at 300 *l.* per Cent. which is } $\begin{matrix} 10,323,904 & : & 2 : 2 \end{matrix}$
10,327,237 *l.* 8 *s.* 10 *d.* but he, Computing the same
on 30,971,712 *l.* 6 *s.* 6 *d.* States it at

And thereby makes the United Capital, after taking in all } $\begin{matrix} 21,526,606 & : & 10 : 2 \end{matrix}$
the Debts, to be

Which leaves to be Sold, for the Benefit of the said United Capital, a } $\begin{matrix} 20,657,808 & : & 4 : 4 \end{matrix}$
Stock of

The said remaining Stock at 300 *l.* per Cent. is $\begin{matrix} 61,973,424 & : & 13 : 0 \end{matrix}$

Out of which deduct the Money payable to the Publick, } $\begin{matrix} 7,567,500 & : & 00 : 0 \end{matrix}$
being

And then there will remain the Nett Sum of $\begin{matrix} 54,405,924 & : & 13 : 0 \end{matrix}$

Add to this the whole Debt due from the Publick $\begin{matrix} 42,184,414 & : & 14 : 6 \end{matrix}$

And then the Sum to be divided amongst the Proprietors of this United Capital, } $\begin{matrix} 96,590,339 & : & 7 : 6 \end{matrix}$
will be

Which gives for every 100 *l.* of the said Capital 448 *l.* 14 *s.* but he States the same at 448 *l.* 15 *s.* and
so he supposes himself to have fully proved, that this is the intrinsic Value of 100 *l.* Capital *South-Sea*
Stock.

The Author of these Calculations has made no further Allowance for the Proprietors of the Long and
Short Terms, than Twenty and Fourteen Years Purchase to be paid in Stock at 300 *l.* per Cent. which, surely,
is not the generous and encouraging Price which the Company intend to offer to those Annuitants. There
has never been less than Twenty five Years Purchase mentioned for the Long Terms, which is 3,338,527 *l.*
5 *d.* more than this Calculator States them at; which would have encreased his United Capital of
21,526,606 *l.* 10 *s.* 2 *d.* to 22,639,448 *l.* 16 *s.* 11 *d.* 3/4, and would have accordingly lessened the remaining
Stock to be Sold, to 19,544,965 *l.* 17 *s.* 6 *d.* 1/4, and so the aforesaid Sum of 96,590,339 *l.* 7 *s.* 6 *d.* which
he divides amongst the Proprietors of his United Capital, would have been only 93,251,812 *l.* 7 *s.* 1 *d.*
to say nothing of a further Allowance for the Short Terms, or of any higher Price for the Long; but
then the said Sum of 93,251,812 *l.* 7 *s.* 1 *d.* is not to be divided only to the Proprietors of 22,639,448 *l.*
16 *s.* 11 *d.* 3/4, but to the Proprietors also of the last Purchased Stock of 19,544,965 *l.* 17 *s.* 6 *d.* 1/4, viz.
equally to all the Proprietors of the whole encreased Capital of 42,184,414 *l.* 14 *s.* 6 *d.* and then each
100 *l.* *South-Sea* Stock would have been intrinsically Worth to all the Proprietors 221 *l.* 1 *s.* And this would
have been a Gain to the Old Proprietors of the 11,202,702 *l.* 8 *s.* of 121 *l.* 1 *s.* for every 100 *l.* of their
Capital Stock; but then it would have been a Loss of 78 *l.* 19 *s.* to the New Purchasers at 300 *l.* per Cent.
which agrees within 2 *d.* with the said Calculations Published the 31st of March, 1720. as may be seen
in Page 6. notwithstanding the Variations in the Sums from which the said Two Calculations are made.
And this, surely, is a sufficient Gain to the Proprietors of the Old Stock, and a sufficient Loss to the Pur-
chasers of the New.

But as this Computer has managed the Matter, he has allowed only in Stock Six 2/3 Years Purchase to
the Proprietors of the Long Terms, and has made each 100 *l.* in his United Capital of 21,526,606 *l.* 10 *s.*
2 *d.* to be intrinsically Worth 448 *l.* 15 *s.* and it really is but One Shilling less, as he states it: But then
the Purchasers of the remaining Stock of 20,657,808 *l.* 4 *s.* 4 *d.* have evidently Nothing for their Money:
For the 61,973,424 *l.* 13 *s.* which they are to Pay for the same, and also the whole Debt of 42,184,414 *l.*
14 *s.* 6 *d.* due from the Publick (after the Deduction of 7,567,500 *l.* stipulated by the Company for this
Bargain) is to be entirely divided amongst the Proprietors of his United Capital of 21,526,606 *l.* 10 *s.*
2 *d.*

2^d. So that there is nothing left for the Purchasers of the said remaining Stock of 20,657,808 *l. 4 s. 4 d.* but the Pleasure and Satisfaction of having made a generous Present to the Proprietors of the said United Capital of 21,526,606 *l. 10 s. 2 d.* of the immense Sum of 61,973,424 *l. 13 s.* If this Computer really intended to be understood thus, must he not think that the Purchasers of his remaining Stock of 20,657,808 *l. 4 s. 4 d.* will be deprived of all common Sense and Understanding? But if he intended to make them believe that their Stock would be Worth also 448 *l. 15 s. per Cent.* Was there ever such a Delusion from the beginning of the World to the 9th of April, 1720. endeavour'd to be imposed on the *British Nation*? And in the same Way he demonstrates, That *South-Sea* Stock, at the Rate of 600 *l. per Cent.* will be Worth 880 *l. 8 s. 4 d.* and according to this Way of Computing, no Person can Purchase at too high a Rate, since his Profit will encrease in Proportion to the Price he gives.

In this Method the Computer might have as easily demonstrated, That 100 *l.* Capital *South-Sea* Stock, at 300 *l. per Cent.* was intrinsically Worth 862 *l. 4 s. 1 d.* and that it may be of Use to him in his next Computations, I shall follow his Method, *viz.*

The present Capital of the <i>South-Sea</i> Company is	<i>l.</i>	<i>s.</i>	<i>d.</i>
	11,202,702	8	0
But they have a Right to encrease the same, by taking in all the Debts,			
	30,981,712	6	6
And then the whole encreased Capital will be			
	42,184,414	14	6
The present united Capital is, as aforesaid,			
	11,202,702	8	0
Which being deducted, leaves, for the Benefit of the Old Proprietors, Stock to be Sold, to the Amount of			
	30,981,712	6	6

This remaining Stock, at 300 *l. per Cent.* is

	<i>l.</i>	<i>s.</i>	<i>d.</i>
	92,945,136	19	6

Out of this deduct the Sum due to
the Creditors, which this Computer States at 10,000 *l.* less,

	<i>l.</i>	<i>s.</i>	<i>d.</i>
	30,981,712	6	6

Deduct also the Money payable to
the Publick

	<i>l.</i>	<i>s.</i>	<i>d.</i>
	7,567,500	0	0
	38,549,212	6	6

Then there will remain the Nett Sum of

	<i>l.</i>	<i>s.</i>	<i>d.</i>
	54,405,924	13	0

Add thereto the whole Debt due from the Publick

	<i>l.</i>	<i>s.</i>	<i>d.</i>
	42,184,414	14	6

And then the Sum to be divided amongst the Proprietors of the Old Stock of
11,202,702 *l. 8 s.* will be

	<i>l.</i>	<i>s.</i>	<i>d.</i>
	96,590,339	7	6

Which gives for every 100 *l.* of the said Capital 862 *l. 4 s. 1 d.* In this Case the Proprietors of the Publick Debts will be paid the Money due to them, to the Value at which this Computer states the same; but then the Purchasers of this Additional Capital will have nothing for the 92,945,136 *l. 19 s. 6 d.* paid by them.

If it be objected to this Improvement of the Computer's Method, that the Company have no Right to sell the Additional Stock; nor does it become Stock, but in Proportion as they pay off the Publick Debts, and take in their Funds; and that it is therefore necessary for the Company to take in Partners for so much Stock as shall be sufficient to discharge the said Debts, and then they are at Liberty to sell the Remainder. But may they not Contract with Purchasers for the Sale of Stock, and the Delivery thereof, in a certain Time; and a Third Part of the Price paid down, will enable them to discharge the Publick Debts; and, by this Means, preserve all the great Gains to the present Proprietors: And if generous Purchasers may be found, who will give away Sixty or Ninety Millions for Nothing; they surely will make no great Scruple as to the Times of Payment of the Whole, or of any Part thereof.

After so full an Explanation of this extraordinary Method of Computing the Value of *South-Sea* Stock, the Reader, I believe, will have no great Curiosity to be inform'd of this ingenious Computer's Performance in the Way of Annual Dividends: But this, I presume, will be evident to every Body, that no Judgment can be form'd of the real Value of *South-Sea* Stock, from any Dividends which the Company may propose to make, without a clear Proof, that they are able to do it, and for such a Number of Years, as shall be of equal Value to the Price they shall think fit to put upon their Stock.

As for Instance, If they fix the Rate at 300 *l. per Cent.* and propose to make the same Good to the Purchasers in Seven Years, then computing Interest at the Rate of 4 *l. per Cent. per Ann.* it will require an Annuity for that Term of 50 *l. viz.* a Dividend of 50 *l. per Ann.* on each 100 *l.* Capital Stock; or, if they shall propose to leave to the Purchasers the 100 *l.* payable by the Publick for each 100 *l.* Capital Stock, and to reimburse them only in Dividends the 200 *l.* advanced Price, this will require an Annuity or Annual Dividends for Seven Years, of 33 *l.* 6 *s.* 8 *d.* on each 100 *l.* Capital Stock. And in like manner, every Person may compute for himself, from a Table of Compound-Interest, what Annual Dividends he ought to have, to make Good his Purchase-Money, according to the Price he pays, and the Number of Years for which the said Dividends are to be made. And this also is certain, that the Company cannot make greater Dividends (exclusive of the Profits on Trade) than what the Money due to them from the Publick, and the advanced Prices paid by the Purchasers, shall Amount to. Let the Price be stated, as aforesaid, at 300 *l. per Cent.* then the advanced Price of 200 *l. per Cent.* will afford a Dividend only (if the same be made all at once) of 121 *l.* 10 *d.* as is explained in my said Calculations of the 31st of March, 1720; in Page 6; and then the entire Value of 100 *l.* Capital *South-Sea* Stock, at the said Rate, is only 221 *l.* 10 *d.* exclusive, as aforesaid, of the Advantages of Trade, and of the Interest of 5 *l.* instead of 4 *l. per Ann.* for Seven Years, on each 100 *l.* Capital Stock. It therefore seems to me very plain, that the Company cannot by any Annual Dividends make the said Stock of greater Value, than the said present Value thereof is; and that, whether they divide the same Annually, or all at once, it can be Worth only 221 *l.* 10 *d.* and no more. And from hence it necessarily follows, that tho' the Proprietors of the Old Stock, will gain from the New Subscribers, at 300 *l. per Cent.* 121 *l.* 10 *d.* for every 100 *l.* of their Capital Stock, that yet the said New Subscribers, will lose of the 300 *l.* paid by them, the Sum of 78 *l.* 19 *s.* 2 *d.* out of which Deduct 6 *l.* (which is the present Value of 1 *l. per Ann.* for Seven Years) the Nett Loss, to each Subscriber, or Purchaser, at 300 *l. per Cent.* will be 72 *l.* 19 *s.* 2 *d.* and that this can be only made Good to him by the Profits arising on Trade.

This leads me to take Notice, of what has been lately mentioned to me in Conversation, on this Subject, *viz.* That I should not have stated the Profits on Trade, necessary to make good the Loss to the New Subscribers, so as to effect the same in Seven Years; because the Company have a Perpetuity in their Trade, and the Value thereof was therefore to be accordingly estimated. It is certain, that in my Remarks subjoined to my said Calculations, I have taken Notice of the Company's Right, in a perpetual Trade, that I might do them all possible Justice; but I did not think it worth while to make any Estimate of its Value, as an Estate of Inheritance; because I was of Opinion, and still am, that if the Parliament shall think fit, to redeem the Debt due to the Company at *Midsummer*, 1727, that their Profits on Trade afterwards, by the Voluntary Contributions of those who shall be then Interested therein, will fall vastly short of what the same may be supposed to be during the said Seven Years; and I thought it was sufficient to take Notice, that there was such a Perpetuity of Trade, without saying any thing more about it. However, since the Objection has been made, I shall endeavour, in the best Manner I can, to set this Matter in as clear a Light as the Nature of the Thing is capable of.

If all the Debts be taken in, the Capital will then consist, as I have stated the same, of 43,558,000 *l.* and, I believe, that a Tenth Part of that Sum, is as much as the Company can be possibly supposed capable to employ in all the Branches of their Trade; and that 10 *l. per Cent. per Ann.* clear of all Charges and Losses, is as much as can be hoped to be made of the Money so employed; and this will be only 1 *l. per Cent. per Ann.* on their whole Capital, *viz.* 435,580 *l. per Ann.* clear Profits. But if some, who are more sanguine in this Matter than I am, will suppose that 20 *l. per Cent. per Ann.* may be made on a Tenth Part of the Capital employed in Trade; or that a Fifth Part may be employed at 10 *l. per Cent.* I shall not refuse to indulge them in this Humour; and then the Profits on Trade will amount to the Annual Sum of 871,160 *l.* But if any Persons are inclined to carry their Imaginations still higher, let them suppose that a Tenth Part of this Capital employed in Trade, will produce 30 *l. per Cent. per Ann.* or that Three Tenth Parts thereof may be employed at 10 *l. per Cent. per Ann.* I shall have no Controversy with them therein; and then the Annual Profits of the Company's Trade, will amount to 1,306,740 *l.* I shall now give the Reader a distinct View, how many Years Purchase he must pay for this Perpetual Trade, according to the Price at which he shall Purchase *South-Sea* Stock; and for that Purpose, I shall here Transcribe, from my former Calculations in Page 7, the Losses which are to be made good by Trade only, and then he will have a clear View thereof.

After a full and exact Explanation of this extraordinary Method of Computing the Value of the Company's Trade, I believe, I shall have no Reason to be surpris'd, if any Person, who is not a Party to the Company's Affairs, should be surpris'd, that the Company's Trade should be valued at 100 Years Purchase. But I shall not be surpris'd, if any Person, who is a Party to the Company's Affairs, should be surpris'd, that the Company's Trade should be valued at 100 Years Purchase. But I shall not be surpris'd, if any Person, who is a Party to the Company's Affairs, should be surpris'd, that the Company's Trade should be valued at 100 Years Purchase.

The Rates of the Purchase of Stock.	The advanced Price, or present Loss of every 100 <i>l.</i> <i>South-Sea</i> Stock Subscribed for, to be made Good only by the Profits on Trade.			The several Years Purchase paid for the Profits on Trade, viz.		
				If it produce 1 <i>l.</i> per Cent. per Ann. being 435,580 <i>l.</i> on the whole Capital.	If it produce 2 <i>l.</i> per Cent. per Ann. being 871,160 <i>l.</i> on the whole Capital.	If it produce 3 <i>l.</i> per Cent. per Ann. being 1,306,740 <i>l.</i> on the whole Cap.
	<i>l.</i>	<i>s.</i>	<i>d.</i>			
No. 1. at <i>Par.</i>	19	00	4	19	9 $\frac{1}{2}$	6 $\frac{1}{3}$
2. at 125.	25	15	0	25 $\frac{3}{4}$	12 $\frac{7}{8}$	8 $\frac{7}{12}$
3. at 150.	32	9	10	32 $\frac{1}{2}$	16 $\frac{1}{4}$	10 $\frac{1}{2}$
4. at 175.	39	4	9	39 $\frac{1}{4}$	19 $\frac{1}{8}$	13 $\frac{1}{6}$
5. at 200.	45	19	7	46	23	15 $\frac{1}{3}$
6. at 300.	72	19	2	73	36 $\frac{1}{2}$	24 $\frac{1}{3}$
7. at 400.	99	18	6	99 $\frac{9}{10}$	49 $\frac{17}{20}$	33 $\frac{3}{10}$
8. at 500.	126	18	1	126 $\frac{9}{10}$	63 $\frac{9}{10}$	42 $\frac{3}{10}$

From this View every Person may and must Judge for himself, what Value to put upon this Perpetual Trade, during the Continuance of the Seven Years, and afterwards; and, accordingly, will guide himself in the Price which he shall think fit to give for *South-Sea* Stock. It is left to the Consideration of the New Subscribers or Purchasers, whether they will not think it reasonable before they Subscribe or Purchase, to have a fair State laid before them by the Company, of the Profits which they have hitherto made in Trade; that they may be thereby enabled, with some Probability, to form a Judgment of what they are hereafter to expect.

I am very sensible; that in Sums consisting of broken Numbers, that Persons unskilled in Figures may easily be deceived and imposed upon; and, for their Sakes, I shall therefore in round Numbers explain to them the Mystery which the Advocates for the *South-Sea* Company, with so much Art, endeavour to conceal. Suppose then the present Capital of the *South-Sea* Company to be Ten Millions, and the Debts to be taken in Thirty Millions, all on an equal Foot of Redemption; and that the Sum which the Company have agreed to pay the Publick is also Ten Millions; it is from hence evident, that if no New Subscribers or Purchasers do come in, that the Company must pay to the Publick the Value of their whole present Capital, and will be then left not Worth one single Farthing: But if by Art Magick they are able to compute other People out of their Senses, and can prevail with Subscribers or Purchasers to come into the Amount of Ten Millions, it is then plain, that they will save the one Half of their own Capital, and that the New Subscribers will lose the Half of theirs, viz. each of them will lose 50 *l.* per Cent. of his Capital. But if they can prevail with Subscribers, or Purchasers, to come in for the whole Thirty Millions, then the Old Proprietors will lose only 2,500,000 *l.* of their Capital; but the New Subscribers will lose amongst them 7,500,000 *l.* viz. the whole encreased Capital of Forty Millions will pay to the Publick 25 *l.* per Cent. which is a Loss to every New Subscriber, or Purchaser, of 25 *l.* per Cent. but a Gain to the Old Proprietors, or a saving of what they must otherwise have lost, of 75 *l.* per Cent. And this is the true State of the Case of the New Subscribers, or Purchasers, even if the Company should graciously admit them to Subscribe or Purchase at *Par.*

If it be then a Demonstration, that the New Subscribers, or Purchasers, will be great Losers, even if admitted at *Par.*; and that the Proprietors of the Old Stock will be great Gainers, or at least Savers thereby; is it conceivable, that by Subscribing or Purchasing above *Par.*, that the Case of such Subscribers or Purchasers will be mended; certain it is, that their Condition will be so much worse, tho' that of the Proprietors of the Old Stock will be so much better, viz. at *Par.* every New Purchaser, or Subscriber, contributes 25 *l.* out of his 100 *l.* towards the Payment of the Money stipulated for the Publick; and whatever they shall give above *Par.* (supposing the whole Subscription to be compleated; for if it be not, their Condition is still worse,) they make a Present to the Proprietors of the Old Stock, at the Rate of 25 *l.* per Cent. To demonstrate this, suppose the Price, as aforesaid, to be fixed at 300 *l.* per Cent. out of the first 100 *l.* the New Subscribers, or Purchasers, pay an equal Proportion with the Old Proprietors, towards the Ten Millions stipulated for the Publick, viz. 25 *l.* out of the said 100 *l.* and, as to the remaining Advanced Price of 200 *l.* that does not return entirely back to the New Subscribers, or Purchasers, who advanced the same, but only 150 *l.* thereof; and the other 50 *l.* to the Proprietors of the Old Stock, in Proportion to their Share of the encreased Capital of Forty Millions; so that the New Subscribers, or Purchasers, lose 75 *l.* of the 300 *l.* paid by them; but the Stock of the Old Proprietors will be Worth 225 *l.* per Cent. which had been entirely lost to them, if no New Subscribers, or Purchasers, had come in to their Aid.

To explain this still more fully, if it be possible, The advanced Price of Thirty Millions, at 300 *l. per Cent.* is Sixty Millions; now, if the said whole Sixty Millions were paid back again to the New Purchasers, or Subscribers, there would be no Harm done, nor would they be any Losers; but instead of this, there is Ten Millions thereof, in the first Place, to be paid to the Publick, and even the Remaining Fifty Millions they are not to receive, but only Three Fourth Parts thereof, and the other Fourth Part is to go to the Proprietors of the Old Stock, in Proportion to their Share of the United Capital of Forty Millions, *viz.* The New Subscribers, or Purchasers, receive back again of their own Sixty Millions, 37,500,000 *l.* and the remaining 22,500,000 *l.* is thus apportioned, *viz.* Ten Millions thereof to the Publick, and the other 12,500,000 *l.* to the Proprietors of the Old Stock; which, added to their Old Stock, makes them Worth 22,500,000 *l.* so that every 100 *l.* of their Capital Stock becomes intrinsically Worth 225 *l.* and yet, if no New Subscribers, or Purchasers, had come in to their Aid, the Money payable to the Publick would have entirely swallowed up their Old Stock, and would have left Nothing thereof remaining.

To explain this Matter once more, in another Manner, Suppose all the Publick Creditors, amounting to Thirty Millions, come in at 300 *l. per Cent.* then Ten Million Stock, added to the Stock of the Old Proprietors, makes a Capital of Twenty Millions, and there is Capital Stock to the Value of Twenty Millions more remaining; which, if Sold at 300 *l. per Cent.* yields Sixty Millions; add thereto the Forty Millions due from the Publick, and it makes an Hundred Millions; deduct the Ten Millions payable to the Publick, and there remains Ninety Millions; which, being divided amongst the Proprietors of the Twenty Millions United Capital, makes each 100 *l.* of their Stock Worth 450 *l.* but then 'tis plain, that there is nothing left for the Purchasers of the last Twenty Millions; and that their Stock is not Worth one Farthing. But if the aforesaid Ninety Millions be divided equally to all the Proprietors of the United Capital of Forty Millions, then each 100 *l.* of that Stock will be Worth 225 *l.* which is 75 *l.* less than the New Purchasers gave for the same; but it is 225 *l.* Worth more to the Old Proprietors than it would have been without the Help of the New Purchasers: For their Stock, without this Aid, had been Worth Nothing.

But if instead of selling the remaining Twenty Million Stock, the Proprietors of the United Capital of Twenty Millions, shall think fit to divide the same amongst themselves, then the Stock will be just doubled to the Proprietors, *viz.* instead of 100 *l.* they will have 200 *l.* *South-Sea* Stock; and for which the New Purchasers, or Subscribers, paid 300 *l.* that is, 150 *l.* for each 100 *l.* *South-Sea* Stock; besides which, there is 25 *l. per Cent.* to be raised on the whole Capital of Forty Millions, to pay the Ten Millions stipulated for the Publick, and then each 100 *l.* *South-Sea* Stock, will have cost the Purchasers 175 *l.* But the whole Surplus Price being now supposed to be divided, 100 *l.* Stock in this great Capital of Forty Millions, will be then Worth no more than it formerly used to be in the Old Capital of Ten Millions; because no other Profit will be accruing thereto, *viz.* the Annual Interest payable by the Publick, until the Repayment of 100 *l.* and the Profits arising by Trade.

I think the foregoing Proportions in round Sums must make the Matter plain, even to those who have no Skill in Figures; and that, however, the Proportions may vary, certain it is, they will be Losers even at *Par*, and their Loss will be proportionably greater, according to the advanced Price they give, unless made Good to them by the Profits on the Company's Trade.

According to my Calculations of the 31st of *March*, 1720, if all the Redeemable Debts be taken in, the increased Capital of 28,500,000 *l.* will pay 16 *l.* 7 *s.* 6 *d. per Cent.* to make Good the Money stipulated for the Publick in all Events; and whatever advanced Price the New Subscribers, or Purchasers, give, the Proprietors of the Old Stock will have at the Rate of 41 *l.* 4 *s.* 6 *d. per Cent.* thereof; and if the Absolute Terms be also taken in, and the Long Terms at Twenty Five Years Purchase, and the Capital completed to 43,558,000 *l.* the New Subscribers, or Purchasers, must pay, if taken in at *Par*, 25 *l.* for each 100 *l.* Capital Stock Purchased or Subscribed for; and whatever advanced Price they pay, the Proprietors of the Old Stock will have at the Rate of near 27 *l. per Cent.* thereof; but if no New Subscribers, or Purchasers, come in, the Proprietors of the Old Stock must pay to the Publick at the Rate of 39 *l.* 14 *s.* 6 *d. per Cent.* to raise the Money, which in all Events they have stipulated to pay to the Publick; which will reduce the intrinsic Value of their Stock to 60 *l.* 5 *s.* 6 *d. per Cent.* And it is to be observed, that if Thirty, or Thirty Five, instead of Twenty Five Years Purchase, be allowed to the Proprietors of the Long Terms, that their Condition will be thereby so much mended; but the Case of the Proprietors of the Redeemable Debts, who shall be Subscribers, and other Purchasers, will be made so much worse.

I have made it evident, by my former Calculations, That the *South-Sea* Company can afford to give Twenty Five Years Purchase to the Proprietors of the Long Terms, and Fourteen for the Short, and to give them, and the Proprietors of the Redeemable Debts, Stock at the Rate of 150 *l. per Cent.* and yet gain above One Million and a Half to themselves, over and above the Money which they have stipulated to pay the Publick; and if those who intend to become Subscribers for, or Purchasers of, *South-Sea* Stock, would seriously consider this Matter, and how much they have it in their Power to oblige the Company to Agree to reasonable Terms; they will never, surely, be prevailed on, to give extravagant Prices, not for the Service of their Country, but to the enriching of others, at their own Expence, who have no Pretence to any Merit from them.

It nearly concerns those who intend to become Subscribers, or Purchasers, (and it is for their Sakes I write) to carry always in their Minds, that whatever Price they shall think fit to give, that the Faith of Parliament stands only engaged to pay 100 *l.* for each 100 *l.* Stock, and 5 *l.* *per Ann.* for the Interest thereof, until *Midsummer*, 1727, and 4 *l.* *per Ann.* afterwards, till Repaid; and that this, and the Profits of Trade, and the proportionable Dividend of the advanced Price which they themselves shall give, is all they have to depend on or expect, unless they proceed purely on the Foot of Gaming and Stock-Jobbing, in Hopes to gain even by a bad Bargain, by deceiving and imposing upon others. But this, surely, is to act with vile and dishonest Views, such as a just Providence can never prosper; and if the Biters should happen to be bit, their Sufferings will be unpitied; and certain it is, that the Loss at last must rest some-where.

F I N I S.

